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Rural Economic and Community Development

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Rural Business and Cooperative Development Service

Empowerment Zones and Enterprise Communities

The Empowerment Zones and Enterprise Communities (EZ/EC) is a Presidential initiative designed to afford communities real opportunities for growth and revitalization. Its mission: To create self-sustaining, long-term economic development in areas of pervasive poverty, unemployment, and general distress, and to demonstrate how distressed communities can achieve self-sufficiency through innovative and comprehensive strategic plans developed and implemented by alliances among private, public, and nonprofit entities. The rural portion of the program is administered through the Rural Business and Cooperative Development Service, part of USDA's Rural Economic and Community Development mission area.

Basic program framework:

The framework of the EZ/EC program is embodied in four key principles:

- Economic Opportunity, including job creation within the community and throughout the region, entrepreneurial initiatives, small business expansion, and training for jobs that offer upward mobility;
- Sustainable Community Development, to advance the creation of liveable and vibrant communities through comprehensive approaches that coordinate economic, physical, environmental, community, and human development;
- Community-Based Partnerships, involving participation of all segments of the community, including the political and governmental leadership, community groups, health and social service groups, environmental groups, religious organizations, the private and non-profit sectors, centers of learning, other community institutions, and individual citizens; and
- Strategic Vision for Change, which identifies what the community will become and a strategic map for revitalization.

This program is seen as just the first step in rebuilding poverty-stricken communities in America's rural heartland. It is designed to empower people and communities all across the Nation by inspiring Americans to work together to create jobs and opportunity. Under the auspices of title XIII of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66) that created the program, the Secretary of Agriculture has designated 3 rural Empowerment Zones and 30 Enterprise Communities.

Program Operations: They All Start Locally

Communities, with the cooperation of their State and local governments, have developed strategic plans for combining public and private resources. These strategic plans will guide the communities during implementation of their portion of the EZ/EC program. USDA State Rural Economic and Community Development (RECD) staffs will have day-to-day oversight responsibility for the program and help communities coordinate various resource needs by serving as facilitator for strategic plan implementation. State staffs will be backed up by a small cadre of specialists in the National Office of the Rural Business and Cooperative Development Service. The National staff will continue the job of providing overall program policy, national program partnerships, program facilitation, opening new doors to the Federal Government for communities, and serving as liaison to the President's Community Enterprise Board.

Program Features

Every applicant to the program will benefit through:

- Technical assistance provided in strategic plan development, partnership building, and leadership development.
- Two Health and Human Services Title XX grants totaling \$40 million for each Empowerment Zone and one Title XX grant of up to \$3 million for each Enterprise Community.
- Employer tax credits to eligible Empowerment Zone employers equal to 20 percent of the first \$15,000 of wages or training expenses for qualified Empowerment Zone employees.
- Tax-free facility bonds of up to \$3 million for some Empowerment Zones and Enterprise Communities.
- Additional \$20,000 tax deduction for qualified businesses on investments in Empowerment Zones.
- Increased coordination of Federal programs.

Selected Communities

Communities received EZ/EC designation based on excellence in:

- Innovative, comprehensive, and effective strategic plans;
- Strength of involvement of low-income residents and local organizations;
- Ability to address comprehensively the elements relating to economic opportunity, sustainable community development, community-based partnerships, and their strategic vision for change;
- Degree of need and diversity within and among the nominated areas; and
- Strategic plan effectiveness in building economic self-sufficiency for communities and residents.

Out of this process emerged 33 communities, encompassing a rural population of more than 625,000 over a total area of more than 15,000 square miles in 24 States. These communities average more than 18,000 residents scattered over a 450-square-mile area. On average, the poverty rate for these communities exceeds 36 percent and the unemployment rate exceeds 14 percent.

All the Empowerment Zones and Enterprise Communities shared a big item in common—the desire and drive to look toward the future and work together to build a plan that would take them toward a new beginning. These communities have dared to dream a vision of a better tomorrow for rural America. A place where young people wish to remain after they complete high school; a place where farmers can make a good living from their land; and a place where businesses flourish with access to capital and to

necessary technology. Many of America's everyday challenges are magnified in rural America by poverty, distance, and neglect. The goal of EZ/EC is for all Americans to share in the resources that this nation has to offer.

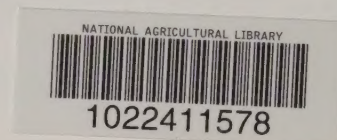
For more information please call:

USDA EZ/EC Team at 202-619-7980 or
1-800-645-4712

Reporters Bldg., Room 701
300 7th St., SW.
Washington, D.C. 2004

E-mail: ezec@rurdev.usda.gov

website: <http://www.ezec.gov>



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